HUMAN EVENTS

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Formosa: With most of the press repeating, like an incantation, the words cease-fire ("as if that phrase retained any meaning after Korea," remarked one Senator), it is difficult to keep in perspective the major struggle — which is the conflict for control of foreign policy between Ike's advisers, "liberal" and "nationalist."

The outstanding fact of the present muddled situation is that the resolution, passed by Congress, giving the President full military powers to stop invasion of Formosa, was unilateral. Thus it is solely the act of the U.S.A., unencumbered by the UN or any multilateral agreements (with Britain tugging back on our coattails.) As such, it alarmed the internationalists, and consequently the chorus of cease-fire has been unremitting. (Witness Mrs. Roosevelt's wail, "I wish the President were not so unilateral.")

Last week, this column reported a question. "Will Ike stick to the military plan?" and suggested that the "blank check" given the President might unfortunately be endorsed over to the UN. This feeling, we may report, is now growing on Capitol Hill, and the word "sell-out" is commencing to enter the vocabulary in the cloakrooms of Congress. Nor is Capitol Hill apparently much ahead of the country in that respect, judging by an editorial in the *Indianapolis Star* (a pro-Eisenhower paper) on January 30, which revealed some exasperation with the gentle treatment accorded the Reds and with the shibboleth of cease-fire. This Indiana paper contemplated — with serenity — the possibility of a new "Munich." The term "appeasement" is evidently a fighting word in Hossierdom.

What nourishes the skeptics here is belief that Ike these days is subject to much advice from the "liberals" who have so consistently shaped his policies in the past. Apart from the "liberal" White House Palace Guard of regular aides, there are other individuals of this category who inconspicuously "drop in" to offer their counsel. Some of those mentioned are Paul Hoffman, C. D. Jackson and Milton Eisenhower, the President's brother. All are "liberals" and in foreign policy reportedly deprecate the "big stick." Indeed, the power of suasion wielded by these people — who drop in so informally and privately — is regarded as considerable. So much so that one town wisecrack runs, "the most important door to the Executive Mansion is the back door."

Ranged against these are Admiral Radford, head of the Joint Chiefs of Staff; Walter S. Robertson, head of the Far East Division of the State Department; and Senator Knowland. The latter, GOP leader in the Senate, within the past 48 hours found himself in the embarrassing position of trying to pin down more concretely the President's reported pledges to defend Matsu and Quemoy; and was openly taunted about this by Senator Humphrey, Democratic "liberal." Some observers wonder if the President will eventually end up on the side of those like Humphrey.

Ere then, however, allies for Knowland may materialize "across the aisle:" conservative Democrats, who oppose appeasement, and do not care to be entangled like Laocoon in the UN, may speak up. It is recalled that, on January 15, 1951, in the midst of the Korean war, Senator Eastland, Democrat of Mississippi, introduced a resolution to provide for withdrawal of the U.S. from the UN if Communist China should be admitted to membership in that body. Eastland was bucking his own Democratic Executive, Mr. Truman, and so his resolution gave way to a milder version, introduced by Senator McClellan, Democrat of Arkansas, which expressed "the sense of the Senate" that Communist China should not be ad-

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mitted to membership in the UN. Today, it is reported that Eastland, if not also McClellan, may act again.

MacArthur Speech: The portions of the address given by General MacArthur in Los Angeles, January 26, which have attracted notice in Washington and have reportedly made the White House unhappy, are as follows:

"Strategically, the problem there [in the Far East] has developed along classical lines — the familiar case of a concentrated enemy in a central position deployed against scattered allies. Red China, inherently weak in industrial output for modern war but strong in manpower, engaged on three fronts — Korea, Indochina and in civil war with Nationalist China. Fighting on all three simultaneously meant defeat, but individually the chances were excellent. The hope for victory depended on getting a cease-fire on some fronts so that the full potential of its limited military might could be thrown against the remaining one or ones. That is what has happened and is happening. First was the cessation of the civil war action by the isolation in the Formosa area, which practically immobilized Nationalist China, one of the allies. Red China then concentrated against Korea and Indochina. But even the double front was too much for its strained resources, so a cease-fire was obtained in Korea. This immobilized the so-called United Nations forces and the South Koreans and left Red China free to concentrate on the third front — Indochina and the French.

"Successful there, the Reds now turn back to the old first front, located in Formosa. As Napoleon Bonaparte once said: 'Give me allies as an enemy so that I can defeat them one by one.'

"Militarily the situation demonstrates the inherent weakness of the theory of collective security — the chain is no stronger than its weakest link, and what is even more vital — its full power can only be utilized when all links are brought simultaneously into action. The diverse interests of allies always tend toward separation rather than unity."

(Since press coverage of this speech was unsatisfactory in the Middle West and East, we reproduce the above highly pointed portion which failed to appear in some papers.)

Stand-By Controls: The President's request for stand-by controls of prices and wages at present encounters hard going in Congress. A good deal of bitter experience in the past 15 years has disillusioned many legislators with the magic of such "freezes," for the reason that these controls really do not effectively control. Economists point out that this kind of "economic mobilization" (Barney Baruch has often wielded the term) is a misnomer, for it would create an obstacle to "mobility." Price and wage freezes could hardly be motivated by the desire that everyone should stay put where he was before war started; that would hardly be "mobilization." Price changes are necessary to establish the truth about surpluses and shortages. As Henry Hazlitt pointed out, changes "provide the incentives and deterrents that divert production most quickly into the lines where it is most needed. Free prices act faster than fumbling bureaucrats."

It is pointed out further that the rise in prices and wages after the onset of the Korean war was caused by the enormous increase in the supply of money and credit right after the outbreak. This expansion could have been stopped by sound fiscal and monetary measures. But the Truman Administration with one hand encouraged expansion of money and credit and with the other sought to solve the inevitable inflation with price controls.

Stock Market: There is one thing the "liberal" Senator Fulbright won't examine as a cure for what he thinks are stock market ills — say reporters who cover financial matters here. That is a remedy which no "liberal" could support — elimination of the capital gains tax. Treasury sources say that many owners of stocks keep holding them because they are reluctant to pay the 25 percent (maximum) tax on gains of stocks held over 6 months. If the tax on capital gains was removed many of these capitalists would sell and the market would suffer a correction. Officials in the Administration believe that, from

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the political standpoint, complete elimination of the tax is not feasible; the Democratic and GOP New Dealers would raise the cry of "Wall Street profits." So, we learn, these Administration officials are seriously exploring the problem of modifying the capital gains tax — say, by reducing the tax to 15 percent on shares held several years — so as to ease the "bull tendency."

Unions and Proxies: A situation has arisen which, members of Congress feel, deserves the attention of the legislative body. It involves the use of union welfare funds. As is known, the high-handed manipulation by labor bosses of such funds, levied on powerless workers who carry the union card, is drawing increasing fire from all sides. The highlighted situation this week concerns the Teamsters Union, possessing (according to the last balance sheet) some $35 million of assets.

The Teamsters Union is attempting to organize the employees of Montgomery Ward and Company. As a part of this drive, the union, out of its welfare funds, has been buying common stock of this great merchandising company. Some $2 million of the funds, it is estimated, have been so committed and some 25,000 shares acquired. Such a bloc could very conceivably play a decisive role in the present conflict between the Sewell Avery (Chairman of the Ward Board) interests and the Wolfson interests for control of the company. Hence, the propriety of these bold union actions is challenged on two grounds: (1) the use of welfare funds in a proxy battle; (2) acquisition (by a union) of stock shares when that union is an agent bargaining with the management of the company and in a situation where it would be in the position of "bargaining with itself."

In the past 48 hours, Senator Capehart (R., Ind.) introduced a bill to require full disclosure of the identity of the interests seeking control in proxy fights. The Senator — probably with the melodramatic Rubinstein case in mind — remarked that in recent years legitimate businesses had been acquired by underworld interests, whose actual identities were hidden.

Foreign Aid (Concluded) : In our issues from January 1 to January 29, we recited the figures on U.S. foreign aid given since the end of World War II to five countries — Britain, France, Italy, Russia (and satellites) and Yugoslavia. We chose these because of various reasons, but principally because the figures have been distorted or minimized in one way or another, and because our outlay has brought disillusion in terms of what we had expected. These figures (which have brought numerous expressions of surprise and dismay from readers) were obtained from reliable Government statisticians who had been prevented from getting the story out to the public. The total of foreign aid to these five countries runs to over $26 billion. But that is not the whole story.

Actually, the balance sheet of foreign aid lists 51 countries as recipients of our bounty. The list runs from the big countries mentioned above to smaller ones — the Philippines, Greece, war-torn Korea, Turkey, etc., etc. It comprises such diverse items as U.S. Information Agency, Inter-American Highway, Government and Relief in Occupied Areas, International Education and Exchange, Relief of Palestine Refugees and dozens more — all in varying degrees of generosity.

For instance, in the fiscal year 1954, foreign aid consisted of the following:

$58,000	— Civilian Relief in Korea;
4,531,507,000	— Mutual Security Organization;
29,614,787	— Contribution to International Organization;
75,000,000	— International Information and Education;
200,000,000	— Relief and Rehabilitation in Korea (From Defense Department FY 1954 Appropriations);
43,538,000	— Government and Relief in Occupied Areas.

Thus, the fiscal 1954 handout abroad comes to a total of $4,937,659,787.

All told, from the fiscal year 1946 to the fiscal year 1955 inclusive, the grand total reaches the sum of around $67 billion. Our sources are unable to give one precisely accurate (down to the penny)

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total figure because of conflicts between items included and excluded in and from various categories. But they assure us that the differences are negligible.

Sixty seven billion is no insignificant sum even in an age that talks only in billions. It is equal to the book value of *all* manufacturing corporations in the United States (plants, equipment and land.) It is equal to the total mortgage debt on all one to four non-farm family dwelling units in the nation (the homes of the great bulk of the nation's workers) as of January 1, 1953 ($66.3 billion.) Assuming an average population of 155,000,000 during the ten fiscal years 1946 through June 30, 1955, every man, woman and child in the nation has paid out during this period or been made responsible for $430 or $43 for each year of the period.

In the ten-year period (fiscal 1946 through fiscal 1955), the American people paid out or pledged themselves to pay an average of $6,700,000,000 a year. This was roughly equal to ten percent of the average annual budget of the nation. During this same period the budget has been balanced only two years (by the 80th Republican Congress.) In the other eight years the nation went further into debt. Consequently, but for the heavy drain of foreign aid the nation would have enjoyed balanced budgets for the whole period of ten years, and additionally, taxpayers could have enjoyed a substantial tax cut. Thus foreign aid has been a major factor in creating unbalanced budgets and weighing down the American taxpayer.

Education Front: The Minute Women of the U.S.A., in their January newsletter from Wheeling, W. Va., call attention to an examination being administered in public schools throughout the country under the guise of "personality adjustment." There are 210 questions on the test which is supposed to be given only to youngsters of the ages between 12 and 14. They include such "problems" as:

"(1) Not as healthy as I should be; (2) Parents working too hard; (3) Not allowed to run around with kids I like; (4) Too few nice clothes; (5) School is too strict; (6) Being criticized by my parents too often, etc."

The Minute Women quote the Monroe (La.) *News-Star* comment that "any normal youngster, after taking this test, will have the seeds of discontent sown in his or her young mind. The test deliberately attempts to make them overly concerned with their health, dissatisfied with school, resentful of parents' requests, questioning parental judgment, widely sensitive about social behavior and fearful of their own future." The *News-Star* calls this a "most astounding and shocking piece of literature."

Around The Table: General Robert E. Wood, retired Chairman of Sears, Roebuck and Company, and Representative Howard W. Smith of Virginia, Chairman of the Rules Committee in the House, will be honored at a dinner on Washington's Birthday, at the Statler Hotel, Washington, D. C. They will receive awards from the American Good Government Society, which is host of the banquet. This foundation in 1953 gave awards to Senators Taft and Byrd, and in 1954 to former President Herbert Hoover and Governor Allan Shivers of Texas. Tickets may be obtained from the American Good Government Society, 1624 "Eye" Street, N.W., Washington 6, D. C.

● An all-day seminar and luncheon will be given in Chicago by the Abraham Lincoln National Republican Club (82 W. Washington Street, Chicago 2, Illinois) on February 12, featuring such speakers as Senators Joseph R. McCarthy, George Malone and Everett Dirksen, as well as Governor J. Bracken Lee of Utah. Delegations — it is said — are attending from as far away as Seattle, Hollywood and Houston. The theme will be "What Must the Republican Party Do in 1955 to Preserve the Public and Itself?" The meeting will be held in the Morrison Hotel.

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THE D.A. LOOKS AT COALITION

By PAUL JONES

THE D.A. is, of course, our old friend, the Devil's Advocate, who dropped in the other day to talk politics, with particular reference to the possibilities of a Conservative Coalition.

"What takes you into that field?" we asked him. "Is there a move on foot to canonize any of our current politicos?"

"Don't be foolish," he said. "Offhand, I cannot think of a single politician in active practice under representative government who could reasonably be nominated for sainthood. Besides, as part of the Do-It-Yourself movement, they canonize themselves at regular intervals, while the Opposition takes over my debunking assignment."

"There was Lincoln."

"It was Lincoln himself who observed in a low, mournful moment that a politician is a long way from being an honest man by ordinary standards. Still, something comparable to sanctity tends to throw a halo around political ideas, if not political personalities. At the moment, I am interested by the notion of party realignment."

"You should read 'Coalition Now,' by J. Harvie Williams of the American Good Government Society [published at 1624 Eye Street, N.W., Washington 6, D. C. — Price — $1.00]," we said. "It is a masterly booklet pointing out the road to salvation for conservatives, North and South."

"I have examined it carefully," said the D.A., "and I agree that nothing could be plainer or more cogent than the proposals he sets forth. If there is any way to regroup parties so as to offer the bewildered voter a fair choice at the polls, Mr. Williams has shown how to achieve that desirable end by the simplest method."

"Exactly. All that it would involve is a formal alliance between the Conservative Democrats of the South and the Conservative Republicans of the North. They have had a working agreement since 1938 in Congress. At least, their Senators and Representatives have cooperated in a policy of containment against the grosser follies of the New Deal 'liberals' in both parties.

"They should now pass from the defensive to the offensive," we went on. "They must weld a tighter understanding with a view to the eventual establishment of another party with a name and platform agreeable to both. Not a third party, but a new second

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party, leaving the eggheads and the managerial revolution zealots to take similar action on their side. Mr. Williams argues persuasively that the country is conservative, two to one."

"QUITE SO," said the D.A. "As far as the methodology of politics is concerned, no one is better qualified to speak than Mr. Williams. He is a thoughtful student of the matter, further instructed by long observation at first hand of Mr. Dewey's operating techniques in New York. I have only one difference with Mr. Williams, but it is on a capital point.

"He appears to assume that Southern Democrats are open to reason. I find no evidence to support that hopeful theory. In fact, everything I read forces me to conclude that the Southern Democrats do not know an issue when they see one. They are like what the Romans called auxiliaries, rather than allies, troops useful on their own ground and when their own interests are directly engaged. But not all-out allies, and still less, Roman citizens."

"Surely segregation is an issue?"

"Only in the South and on its frontiers. Mind you, I do not mention this fact in any censorious spirit. I merely note it as a reality, and as an obstacle to coalition.

"After all," went on the D.A., "the whole tradition of Republicanism is based on a wide tolerance of foreign stocks and a belief in Negro rights. The Midwest always quarreled with their eastern brethren on issues arising out of those points. As a connoisseur of sophistry, I would be deeply interested in any form of words which would reconcile Southern Democrats and Northern Conservative Republicans on a common racial policy. I fear the mystagogues of the Platform Committee would work in vain. They could not fool anybody.

"An abstract declaration on States Rights? Possibly, but the South would want things spelled out more definitely. And why not? Segregation is a suicidal national issue, but very real in Dixie, which is still another world.

"BY COINCIDENCE," and the D.A.'s basso rose, "at the very moment when Mr. Williams was putting the last touches on his excellent booklet, the Southern Democrats were demonstrating their incapacity for coalition. I refer to their solid vote in favor of the resolution condemning Senator McCarthy."

We said: "They tell us the Democrats caucused and made the decision for a united front on the Democratic side, so as to throw into sharp relief the Republican split."

"Who needed," thundered our friend, "any demonstration that the Republicans were divided? Next we shall hear of new proofs that the sun rises in the East and the world is round. What the conservatives were looking for was some sign that the Southerners had ceased to be doughfaces, led about on a string by the Northern New Dealers, jump-

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ing through any hoop as long as it wasn't labeled F.E.P.C. or Desegregation. I cannot quarrel with their decision to play it safe with their party. I merely say that they look like poor material for coalition, after voting against their friends in the Middle West.

"The independent Republicans took a manly position, at great risk to their political futures, on the principle of the right of a committee of the United States Senate to inquire into Executive misfeasance. That was the real issue, not Joe McCarthy's manners.

"Where were the independent Democrats? There weren't any. Not one. The Southern members were just as short-sighted as the Confederacy was when it withheld its cotton from English mills at the beginning of the War, to prove to Britain that cotton was a useful commodity. Who had to be convinced of that self-evident proposition?

"In the end, when it was too late, it dawned on them that they needed gold, as much or more than the British needed cotton. By that time, they were stuck, except for what the blockade runners could sneak out.

"On the McCarthy resolution, they held back their votes, apparently to show how very valuable they were. But I fear they did not understand the constitutional issue, any more than Jeff Davis understood commerce and finance."

"You are hard on the honorable gentlemen."

"Not at all. They have their own special problems. I am only saying that coalition with such original thinkers is not as simple as it sounds. Cooperation with the South means that you do all the cooperating, as the Northern Whigs and Union Democrats found out to their cost a century ago. Yet how can you found a new national party if you have to adopt the sectional issues of the South? I am inclined to believe that Conservative Republicans could employ their energies to better advantage by first recapturing their own strongholds in the east and west, many of which are now in the hands of the foe."

"But the Republican Party is doomed," we objected, "if it remains a sectional party. It needs the Southern alliance to give it a broad national base."

"PEOPLE KEEP SAYING that," the D.A. remarked. "But I must remind you that it is very ancient history. The Republican Party has had to contend with the charge of sectionalism ever since its formation in 1854.

"Its leaders then had a simple answer. Politically, they saw that a two-way stretch was impossible. Therefore, if they could not stretch from north to south, they would stretch from east to west.

"When they met in the first National Convention at Philadelphia in 1856, the ex-Whigs and ex-Democrats there assembled chose for their Presidential candidate John C. Fremont of California, and for Vice-President, William L. Drayton of New Jersey. Fremont had been California's first Senator, after she was admitted to the Union in 1850.

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"Read this press account of an address of the Honorable Caleb Smith of Indiana, first Republican Secretary of the Interior under Lincoln in 1861, to the delegates on the first day, June 17, 1856: 'He would be the last to favor a party based on sectional issues, and the calumnies that were heaped on this Republican Party, as a sectional party, he repelled with contemptuous denial. There never was a party since the days of Washington so national in its aim as this, for its object was to preserve and extend freedom, and was not freedom national? (Cheers.)'

"He insisted on the fact that the south's peculiar institutions made political cooperation across the Mason-Dixon line impossible. 'Where were now,' he inquired, 'the great Southern Whigs of former times? Where was Toombs? . . . Toombs and all the leading Whigs of the South now acted with the Democratic Party, because the leaders of that party in the North, in their pursuit of the spoils, overlooked everything.

" 'But many of those who formerly associated and were identified with the Democracy [in the North, that is] had become disgusted with its cringing disregard of the principles of freedom, and enlisted themselves under the banner of Republicanism'."

"The old welkin-ringers, who loved to speak of fame and glory and principles that stretched from the rock-ribbed shores of Maine to the sun-kissed coast of California were right on the Republican beam. I cannot recall that so-called sectionalism hurt the G.O.P., when it had something like a doctrine and something resembling statesmen to apply it.

"We hear much of the absolutely hopeless position of the Republicans in the large cities which dominate so many large States and determine nominations and elections. Would coalition with the Southern Democrats improve or worsen this handicap?"

"But something must be done."

"Well, the late Mr. Taft, who was Republicanism personified, never had any trouble getting elected by resounding majorities in Ohio, one of our largest States, and in Ohio's large industrial cities. No, no. Let the Southerners work out their own problems in their own party, or what they fondly believe is their own party. I would rather see Mr. Williams devote his talents and dedicated energy to re-establishing Republican Conservatives in States where they have entrenched positions and a history of success.

"Now that Mr. Dewey has retired to a Wall Street hermitage, the field is open for a little regrouping inside the G.O.P."

Mr. Paul Jones has been doing editorials for the Philadelphia *Evening Bulletin* for the last dozen years. He has also contributed articles to *Colliers* and the *Saturday Evening Post.* HUMAN EVENTS has published three of Mr. Jones' pieces: "Dialogue with a D.A.," July 15, 1953, "The Martyrs of Academe," January 20, 1954 and "Prospects For a New Party," September 8, 1954.

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